



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

August 29, 1994

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SANTA FE, NEW MEXICO 87504
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Southland Royalty Company
c/o Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499-4289

Attention: Peggy Bradfield

Administrative Order NSL-3422

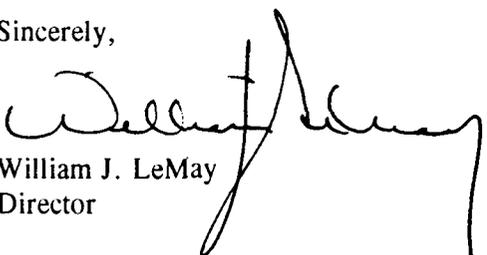
Dear Ms. Bradfield:

Reference is made to your application dated August 5, 1994 for an unorthodox gas well location for both the Blanco-Mesaverde Pool and the Undesignated Tapacito-Pictured Cliffs Pool for the proposed Jicarilla "447" Well No. 1-A (API No. 30-039-25441). Said well to be drilled 630 feet from the South line and 1420 feet from the East line (Unit O) of Section 19, Township 27 North, Range 3 West, NMPM, Rio Arriba County, New Mexico. It is our understanding that production from both zones are to be downhole commingled.

The existing 301.76-acre gas spacing and proration unit in the Blanco-Mesaverde Pool comprising Lots 3 and 4, the E/2 SW/4, and the SE/4 (the S/2 equivalent) of said Section 19, which is presently dedicated to the Southland Royalty Company Jicarilla "447" Well No. 1 (API No. 30-039-23725), located at a standard gas well location 940 feet from the South line and 1150 feet from the West line (Unit N) of said Section 19, and the SE/4 of said Section 19 being a standard 160-acre gas spacing and proration unit for the Pictured Cliffs interval, are to be dedicated to said well.

By the authority granted me under the provisions of Rule 2(c) of the "Special Rules and Regulations for both the Blanco-Mesaverde and Tapacito-Pictured Cliffs Pools", as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox gas well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Albuquerque